

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

LAWMAN ARMOR CORPORATION,	:	
Plaintiff	:	CIVIL ACTION
	:	
v.	:	
	:	
WINNER INTERNATIONAL, INC.,	:	
Defendant	:	NO. 01-1605

MEMORANDUM AND ORDER

McLAUGHLIN, J.

January ____, 2002

This dispute involves two manufacturers of auto security devices, Lawman Armor Corporation ("Lawman Armor") and Winner International, Inc. ("Winner"). At issue is a Winner product called "The Club Auto Brake Lock" (the "Accused Product"). This device is designed to be placed on the floor of a vehicle, where it traps the brake pedal shaft and prevents the brake pedal from being depressed. In this manner, it deters auto theft by depriving a would-be auto thief of braking ability. Lawman Armor claims that the Accused Product infringes its valid patent rights, both literally and under the doctrine of equivalents.

Presently before the Court is Lawman Armor's Motion for a Preliminary Injunction. In the motion, Lawman Armor seeks to enjoin Winner from selling, using, or distributing the Accused Product. On November 19 and 20, 2001, the Court held an evidentiary hearing on the motion. The Court concludes that

Lawman Armor has shown a strong likelihood of success in proving that the Accused Product infringes Lawman Armor's Patent No. 6,298,696 (the "'696 Patent) under the doctrine of equivalents. Because Lawman Armor has otherwise shown that it is entitled to preliminary relief, the Court will grant Lawman Armor's motion and will enjoin the sale, use, or distribution of the Accused Product by Winner.

Pursuant to Federal Rule of Civil Procedure 52(a), the Court's findings of fact and conclusions of law are set forth below. For ease of reference, certain findings of fact, including findings relevant to the Court's infringement analysis, are included under the appropriate headings in the Court's Conclusions of Law and Additional Findings of Fact section. Any other conclusion of law that should be construed as a finding of fact is hereby adopted as such.

FINDINGS OF FACT

I. The Parties

1. Plaintiff Lawman Armor Corporation ("Lawman Armor") was founded in 1997 by Robert Vito to manufacture and market an automobile anti-theft device that he invented. Hr'g Tr. I, at 22 (Vito).¹ Vito's invention (the "Lawman Product") is sold by

¹ The testimony given at the Hearing held on November 19 and 20, 2001 has been transcribed in two volumes. Citations to the testimony will be given in the following form: Volume number

Lawman Armor under the trademarks "The Unbrakeable Autolock" and "The Unbrakeable Auto Lock Pro". Hr'g Tr. I, at 26, 29 (Vito); Ex. P-10. The Lawman Product functions by being placed on the floor of the vehicle where it traps the brake pedal shaft and immobilizes it, which deprives a would-be thief of the ability to use the car's brakes in operating the car. See Fig. A in Appendix.

2. Auto brake locks constitute virtually 100% of Lawman Armor's business. Hr'g Tr. I, at 117 (Beichner).

3. Defendant Winner International, Inc. ("Winner") sells automotive anti-theft devices. Its signature product, "The Club", is a vehicle anti-theft device that affixes to the steering wheel of a car to prevent steering. The Club was invented by James Winner, the chairman of Winner, in 1986. Winner has sold over 30 million of The Club devices over the past 15 years. Hr'g Tr. II, at 31-32 (Hornbostel).

4. In February of 2001, Winner introduced an auto brake lock (the "Accused Product"), which it sells under the name "The Club Auto Brake Lock." Hr'g Tr. I, at 143, 150 (Linsley); Exs.

(I or II), at page(s) (Witness Name). Exhibits introduced at the Hearing will be identified by the number they were given at the Hearing.

P-3, P-8. Like the Lawman Product, Winner's auto brake lock functions by being placed on the floor of the vehicle where it traps the brake pedal shaft and immobilizes it, which deprives a would-be thief of the ability to use the car's brakes in operating the car. See Fig. B in Appendix.

5. Winner also sells a pedal to wheel lock, of a type commonly referred to as a "crook hook", which it has offered since 1988. This device hangs from the steering wheel and affixes to the brake pedal shaft, which prevents the brake pedal from being depressed. Hr'g Tr. I, at 146, 150 (Linsley); Ex. D-A.

6. Sales of these devices make up a relatively small part of Winner's business. For 2001, through November, Winner sold approximately 16,000 units of its pedal to wheel lock, and 12,000 units of its auto brake lock. Hr'g Tr. I, at 147, 150 (Linsley).

II. Development of the Lawman Product

7. Vito, who holds degrees in tax, finance and marketing, became interested in auto theft deterrence as a result of his own experiences as a victim of auto theft growing up in the City of Philadelphia. His premise was to develop a device using the brake pedal shaft, which is one of the strongest parts of the

vehicle. Hr'g Tr. I, at 22-23 (Vito).

8. Vito mortgaged his house, used his entire savings and maxed out his credit cards, putting close to \$700,000 of his own money into the company. Subsequently the company received an additional \$1.5 million from outside investors, who now own 70% of the equity in the company. An additional round of financing brought in another \$8 million. Hr'g Tr. I, at 23 (Vito).

9. Lawman Armor sought patent protection for its product as a means of protecting itself against larger companies entering the market for what it viewed as a unique product. Hr'g Tr. I, at 32-33 (Vito). Vito entered into an Exclusive Patent License Agreement with Lawman Armor that gave Lawman Armor, inter alia, the "power to institute and prosecute . . . suits for infringement of the Licensed Patent Rights" Ex. P-2. United States Patent No. 6,298,696 (the "'696 Patent") issued to Vito on October 9, 2001. Ex. P-1.

10. The Lawman Product comprises a T-shaped base that can be placed on the floor of a vehicle, an inverted U-shaped housing extending vertically from the base which can be placed over a brake or clutch pedal shaft, and an L-shaped rod with a locking mechanism which fits under the pedal shaft. When the rod is

raised by its handle and locked in position the pedal shaft is immobilized. Hr'g Tr. I, at 25-26 (Vito); Ex. P-9.; See Fig. A in Appendix.

11. The Lawman Product works by depriving the would-be thief of braking ability. In addition, the device exploits a common automobile safety feature known as Brake Pedal Shift Interlock ("BPSI"), which requires that the brake pedal be depressed before the car can be put into gear. Hr'g Tr. I, at 31-32 (Vito).

12. Vito began the development process with balsa wood models, and over time experimented with different heights, different types of metal and different types of locks. Lawman Armor worked with engineers at a facility operated by Allstate Insurance Company, which shares a board member with Lawman Armor, to get the product to the point where it would be "unbeatable." Hr'g Tr. I, at 24 (Vito).

13. Allstate referred Lawman Armor to a non-profit testing organization in England, the Thatcham Institute ("Thatcham"). Thatcham is funded by automobile manufacturers and insurers. Lawman Armor worked with Thatcham for over a year to achieve Thatcham approval and certification. Lawman Armor's product was

eventually approved and certified by Thatcham. Hr'g Tr. I, at 25 (Vito); Ex. P-10.

14. Vito's original base was rectangular. He discovered that such a base can slide all over the floor of the vehicle, possibly permitting removal of the device. He eventually developed a T-shaped base, with small protrusions on the underside, for better gripping and stability. Hr'g Tr. I, at 27-28 (Vito).

15. Thatcham found that the original locking rod handle on the Lawman Product could be defeated by pounding down on that handle with a hammer. As a result, Lawman Armor developed a new handle design with a hardened molded steel angle of 60 degrees, which could not be so easily defeated by pounding down on the handle with a hammer. Hr'g Tr. I, at 28 (Vito).

16. To obtain Thatcham approval, Lawman Armor uses hardened steel locks, rather than the more typical aluminum locks, and vending machine-type keys, which, according to Thatcham, provide the highest level of security. Hr'g Tr. I, at 28-29 (Vito). Depending on the model, Lawman Armor uses 3 to 4 millimeters of steel for the unit housing. Hr'g Tr. I, at 29 (Vito).

17. The Lawman Product cannot be used on certain car models due to their unusual brake pedal shaft designs. The product packaging lists those vehicles which the device will not fit. Hr'g Tr. I, at 29-31 (Vito); Ex. P-10.

18. In addition, some vehicles are equipped with the means to manually override the BPSI safety feature ("BPSI override"). Although such cars can be put in gear notwithstanding the installation of the Lawman Product, they cannot be safely driven because the brake pedal is immobilized, and the only means available for braking the car is the hand- or foot-operated emergency brake. Hr'g Tr. I, at 31-32 (Vito); Hr'g Tr. I, at 155-156 (Linsley).

19. Lawman Armor began marketing the Lawman Product in the Summer of 1998 through a two-minute "direct response" television commercial that cost \$200,000 to produce and place. Hr'g Tr. I, at 35 (Vito).

20. After the Lawman Product was introduced, it began to receive free media exposure, receiving highly favorable notice in such magazines as Good Housekeeping, Time, and Popular Mechanics, as well as on national and local television broadcasts and cable. Hr'g Tr. I, at 35-37 (Vito); Exs. P-11 & P-12.

21. In November 1999, Lawman Armor expanded its television advertising, introducing a 30 minute infomercial (the "Lawman Infomercial") which was played nationally 200 to 500 times per week at cost of over \$12 million. The campaign received an Infomercial of the Year award. Hr'g Tr. I, at 39-42 (Vito); Ex. P-13.

III. Discussions and Disputes Between the Parties

22. After Lawman Armor began advertising on television in the Summer of 1998, it received an invitation from Winner to meet to discuss a potential deal. A meeting was held in Pittsburgh. After this meeting, Winner's then-president, Chuck Quinn, advised Vito that Winner had determined that "brake pedals was not a category, or something that [Winner] wanted to pursue, and [Winner] believed that the steering wheel was the ultimate protection for a car." Hr'g Tr. I, at 38-39 (Vito).

23. The Lawman Infomercial introduced in November 1999 features several demonstrations of steering wheels being cut to defeat steering wheel locks of the type long sold by Winner. Ex. P-13. Approximately six months after Lawman Armor began airing the Lawman Infomercial, Winner filed suit against Lawman Armor for false advertising. Hr'g Tr. I, at 42 (Vito). At approximately the same time, Lawman Armor made its first

penetration into the retail market when K-Mart agreed to carry the Lawman Product, an important foothold that led to placement with other retailers. Id.

24. In its suit against Lawman Armor, Winner International moved for a preliminary injunction against airing of the Lawman Infomercial. Ex. P-21. The gravamen of Winner's motion was not directed to the demonstration of steering wheel locks such as "The Club" being defeated, but rather to Lawman Armor's claim that a properly installed brake pedal lock renders a car undrivable. Winner argued:

Lawman's assertion is false because on most of the limited number of cars on which it can even be applied, the Auto lock can be defeated in one second, or the time it takes to press a button. Indeed, most cars with a floor shift automatic transmission . . . are equipped with brake pedal shift interlock 'override' found adjacent to the floor gear shift Stated simply, because the Autolock can be defeated in the time it takes to press a button - namely one second - it is fifteen to thirty times less effective than The Club.

Ex. P-21, at 2-3 (emphasis in original).

25. Winner's critique of the Lawman Product's effectiveness is based on the premise that a car can be driven with only the emergency parking brake available for stopping. Hr'g Tr. I, at 155-56 (Linsley).

26. Winner was not granted a preliminary injunction in the false advertising case, and Winner ultimately withdrew the case with prejudice without receiving any consideration therefor. Hr'g Tr. I, at 46 (Vito); Hr'g Tr. II, at 48-49 (Hornbostel).

27. After the false advertising case was dismissed, Winner indicated that they were interested in meeting with Lawman Armor to meet to discuss an acquisition. Prior to that meeting, Lawman Armor asked for and received a Nondisclosure Agreement. Hr'g Tr. I, at 47, 71-73 (Vito).

28. The terms of this Nondisclosure Agreement did not prevent Winner from competing with Lawman Armor in the field of auto brake lock devices. Hr'g Tr. I, at 69-70 (Vito); Hr'g Tr. II, at 42-43 (Hornbostel); Ex. D-G.

29. A meeting between the principals and attorneys of the two companies was held on December 27, 2000, during which Lawman Armor provided Winner with a merger and acquisition document containing financial and marketing information. At that meeting, Winner's representatives expressed an interest in the Lawman Product. A second meeting was arranged. Hr'g Tr. I, at 47-48, 69-70 (Vito).

30. The second meeting occurred on January 4, 2001. Present on behalf of Winner were James Winner, its chairman, and Karen Winner-Hale, its chief executive officer. Present on behalf of Lawman Armor were Vito, Lawman Armor's chief financial officer Joseph Bobrowski, and three investment bankers. Lawman Armor had insisted that no lawyers be present. Hr'g Tr. I, at 48 (Vito).

31. At the January 4th meeting, James Winner stated to Vito that Winner is "the dominant force in the anti-theft market . . . and that either [Lawman Armor] come to a license agreement or he would come out with a cheaper knockoff product, erode [Lawman Armor's] price points, erode [Lawman Armor's] profit margins, and [Lawman Armor would] be driven out of business." Hr'g Tr. I, at 49 (Vito).

32. James Winner further stated that he was not concerned about Lawman Armor's patents, and that if Lawman Armor got an injunction, Winner would design around it within a few months. Hr'g Tr. I, at 49 (Vito).

33. James Winner also showed Vito an advertising brochure for a Winner auto brake lock in which "The Club" trademark does not appear. Rather, the trade name "All Star

Products" is used. Ex. P-14. When Vito asked him about this, Mr. Winner explained "that the product was junk and that they did not want to pull The Club down. That their intention was to get out there with a cheap knockoff, erode the price points, erode the market share, and they didn't want anything getting on The Club brand equity they had built up over the years." Hr'g Tr. I, at 50-52 (Vito).

34. At the January 4th meeting James Winner also gave Vito a price sheet showing that Winner intended to offer its auto brake lock wholesale for \$14.95, less than a third of the price that the Lawman Product retailed for. James Winner stated that it was not Winner's intention to make a profit, but rather to drive down the price points to where Lawman Armor could not be profitable and would have to go out of business. He stated that Winner did not need to make a profit on the product in order to be successful. Winner offered to take a license on the Vito patents at a royalty of 60 cents per piece, an offer which Lawman Armor rejected. Hr'g Tr. I, at 52-53 (Vito).

35. Vito observed that the photograph of the product on the brochure appeared to be doctored, and believed that the threat to bring out such a product was a bluff. Hr'g

Tr. I, at 93-94 (Vito).

IV. Development and Introduction of the Accused Product

36. In February 2001, Winner introduced "The Club Auto Brake Lock" (the "Accused Product"). Hr'g Tr. I, at 150 (Linsley). The Accused Product comprises a T-shaped base that can be placed on the floor of a vehicle, a tubular housing extending vertically from the base, and a J-shaped locking rod which, when drawn up by the handle, traps the brake pedal shaft between the J-shaped portion of the locking rod and the housing. See Fig. B in Appendix.

37. In Mr. Vito's view, the Accused Product is inferior to the Lawman Product because although it uses a T-shaped base, the legs are too short to prevent slippage. Also, unlike the Lawman Product, the Accused Product is made from a metal that can be easily cut and uses a lock that provides less security. In addition, the handle is set at an angle that would permit it to be defeated by blows from a hammer. Hr'g Tr. I, at 53-54, 80-81 (Vito).

38. The Accused Product was invented by Winner's patent attorney, Robert Vickers, who attempted to come up with a design that did not infringe Lawman Armor's patents.

Hr'g Tr. I, at 165-66 (Linsley); Hr'g Tr. II, at 4 (Marotto) & at 35 (Hornbostel).

39. The '696 Patent had not yet issued at the time Vickers invented the Accused Product, and Winner was not at that time aware of the '696 Patent. Hr'g Tr. II, at 34 (Hornbostel).

40. The Accused Product was designed to use certain parts already used in existing Winner products, including the lock housing, the metal rod, and the metal housing. This allows for certain economies of scale. Hr'g Tr. I, at 158 (Linsley); Hr'g Tr. II, at 6-7 (Marotto) & 36-37 (Hornbostel).

41. Winner has affixed its internationally known trademark "The Club®" to the accused product. Ex. P-3.

42. Winner has a quality control program in place at the company. There was no evidence presented, however, about the nature of this program or how it applies to the Accused Product. Winner has not received any customer complaints about the quality of its auto brake lock. Hr'g Tr. II, at 35 (Hornbostel); Hr'g Tr. I, at 150 (Linsley).

43. Winner offers no anti-theft guarantee with the Accused Product because Winner does not believe that, by itself, the Accused Product is an effective anti-theft device. Hr'g Tr. I, at 155, 166-67, 172 (Linsley).

44. Like the Lawman Product, the Accused Product is not suitable for use on certain models of cars due to their brake pedal design. Unlike the packaging for the Lawman Product, however, the Accused Product's packaging contains no information regarding models of cars on which the device cannot be used, instead stating only that "one size fits most". Hr'g Tr. I, at 54-55, 89-90 (Vito); Ex. P-8.

45. The Lawman Product and the Accused Product are both sold in retail stores such as Pep Boys, where they are displayed in close proximity on racks which also display an assortment of Winner steering wheel lock products. Hr'g Tr. I, at 55-56 (Vito); Ex. P-16.

46. Since its introduction, retail prices for the Accused Product have ranged from between \$39.99 to as low as \$19.99. Hr'g Tr. I, at 56-57 (Vito); Exs. P-17, P-18 & P-19. In response, Lawman Armor has been forced to lower its retail price on the Lawman Product from \$59.95 to \$39.95.

Hr'g Tr. I, at 57 (Vito). Lawman Armor has been required to provide rebates, so called "price protection" or "markdown money," to retailers to guarantee them the margins they had expected when they originally purchased the Lawman Product. Hr'g Tr. I, at 57-58 (Vito).

47. When the then-president of Winner, William Beichner, learned that Advance Auto - the second largest automotive parts specialty retailer in the United States with 2700 stores - intended to carry the Lawman Product, he advised them that Winner did not believe that the category of brake locks would hold up, and that Winner would be offering a lower-priced piece that would cause price points to compress and force Lawman Armor to give up its infomercial strategy that was driving demand for such products. Hr'g Tr. I, at 106-09 (Beichner).

48. Beichner, as Winner's president, also advised Auto Zone - the largest specialty retailer in the United States, with 3200 stores - that Winner intended to implement a product recall of the Accused Product. Beichner told Auto Zone that Winner believed this recall would minimize, if not destroy, the auto brake lock category. Auto Zone questioned the logic of this strategy, and in particular was concerned

that customers would be confused as to which products were being recalled. Winner never recalled the Accused Product. Hr'g Tr. I, at 110-13 (Beichner).

49. Beichner, as Winner's president, also dealt with Strauss Discount Automotive ("Strauss"). Initially, Winner sold Strauss units of the Accused Product at \$19.99 each, with an expected retail price of \$39.99, reflecting typical mark-ups in this market. Later, however, Winner offered Strauss "markdown money" to induce it to lower the retail price of the Accused Product. Winner had received no information that Strauss had any difficulty in selling the Accused Product at the expected retail price, and Strauss had never asked Winner for any price consideration. Following the offer of markdown money, Strauss' expected retail price for the Accused Product went down to \$29, and Strauss advertised the Accused Product for a retail price of \$19.99 on at least one occasion. Hr'g Tr. I, at 114-17 (Beichner); Ex. P-19.

50. Winner's website contains an extensive catalog of its product offerings. The Accused Product, however, does not appear. Hr'g Tr. I, at 58 (Vito) & 150 (Linsley); Ex. P-20.

51. Winner does no commercial advertising of the Accused Product. It has, on the other hand, devoted substantial resources to producing a full-length infomercial and a one-minute television commercial devoted to demonstrating Winner's theory that cars equipped with BPSI override can be driven notwithstanding the installation of the Lawman Product. These promotional materials do not mention that Winner offers its own auto brake lock, but rather tout the advantages of its steering wheel locks. There is no dispute that Winner's critique of the Lawman Product - as set forth in the infomercial, in the one-minute commercial, and in the preliminary injunction motion previously filed in the false advertising case - applies equally to the Accused Product. Hr'g Tr. I, at 45, 58-66 (Vito) & 163, 167, 169-70 (Linsley); Exs. P-22 & P-23.

52. Winner attempted to place its full-length infomercial on television. It was played for Winner's customers and sales representatives to show that Winner was taking a very disparaging approach to the category. Hr'g Tr. I, at 110 (Beichner). Vito received a copy of it anonymously in the mail. Hr'g Tr. I, at 59 (Vito).

53. Winner's one-minute commercial was played at

Winner's booth at a major automotive aftermarket trade show in Las Vegas, AAPEX, where retailers come to see the new product offerings of manufacturers. Hr'g Tr. I, at 63-64 (Vito).

V. The Patent

54. Lawman Armor asserts that the Accused Product infringes, both literally and under the doctrine of equivalents, independent claims 1, 7, 14 and 19 of the '696 Patent (the "Asserted Claims"). The Asserted Claims read as follows:

1. A device for locking the pedal of a vehicle, the pedal being supported by a pedal shaft, the device comprising:

a base, including a first elongated member and a second elongated member, the second elongated member being secured to and extending outwardly from a lateral side of the first elongated member at a predetermined angle, wherein the second member is secured to the lateral side of the first member, approximately midway along a length of the first member, the base for placement on a floor of the vehicle beneath the pedal and the pedal shaft;

a housing extending from one of the first and second elongated members and having a slot therein for receiving the pedal shaft therein; and

a locking mechanism for locking the pedal shaft within the slot, such that the pedal cannot be operably depressed.

7. A device for locking the pedal of a vehicle, the pedal being supported by a pedal shaft, the device comprising:

a base, including a first elongated member and a second elongated member, the first elongated member including an upper surface and an opposite lower surface, the lower surface including at least one outwardly extending member to facilitate retention of the base on the vehicle floor, the second elongated member being secured to and extending outwardly from a lateral side of the first elongated member at a predetermined angle, the base for placement on a floor of the vehicle beneath the pedal and the pedal shaft;

a housing extending from one of the first and second elongated members and having a slot therein for receiving the pedal shaft therein; and

a locking mechanism for locking the pedal shaft within the slot, such that the pedal cannot be operably depressed.

14. A device for locking the pedal of a vehicle, the pedal being supported by a pedal shaft, the device comprising:

a base for placement on the floor of a vehicle beneath the pedal and the pedal shaft, the base having a lower surface for engaging the vehicle floor, the lower surface including at least one outwardly extending member to facilitate retention of the base on the vehicle floor;

a housing extending from the base and including a slot therein for receiving the pedal shaft; and

a locking mechanism for locking the pedal shaft within the slot such that the pedal cannot be operably depressed.

19. A device for locking the pedal of a vehicle, the pedal being supported by a pedal shaft, the device comprising:

a base for placement on a floor of the vehicle beneath the pedal and the pedal shaft;

a housing extending from the base and including a slot therein for receiving the pedal shaft;

a locking mechanism for locking the pedal shaft within the slot such that the pedal cannot be operably depressed, the locking mechanism including a rod moveable within the housing between a first position wherein the pedal may be depressed and a second position wherein the pedal cannot be operably depressed and a lock located on the housing and spaced away from the slot for locking the rod in at least the second position, wherein the housing further includes an elongate spacer member positioned between the slot and the lock to position the lock at a location to facilitate access to the lock during installation of the device.

Ex. P-1.

55. Claims 1, 7, 14, and 19 of the '696 patent are the only claims at issue for the purpose of this motion.

56. The specific claim limitations in dispute here are:

Claims 1 & 7: ". . . a housing extending from one of the first and second elongated members and having a slot therein for receiving the pedal shaft therein . . ."

Claims 14 & 19: ". . . a housing extending from the base and including a slot therein for receiving the pedal shaft. . ."

Ex. P-1.

CONCLUSIONS OF LAW AND ADDITIONAL FINDINGS OF FACT

Where a party alleging patent infringement seeks a

preliminary injunction, that party must show: (1) a reasonable likelihood of success on the merits; (2) irreparable harm if an injunction is not granted; (3) a balance of hardships tipping in its favor; and (4) an injunction's favorable impact on the public interest. E.g., Amazon.com, Inc. v. Barnesandnoble.com, Inc., 239 F.3d 1343, 1350 (Fed. Cir. 2001).² These factors, taken individually, are not dispositive; rather, the district court must weigh and measure each factor against the other factors and against the form and magnitude of the relief requested to determine whether an injunction should appropriately issue. Id.

I. Likelihood of Success on the Merits

In order to show a reasonable likelihood of success on the merits, Lawman Armor must show both the likelihood that the Accused Product infringes the '696 Patent, and that Lawman Armor is likely to withstand any challenges by Winner to the validity and/or enforceability of the '696 Patent. Hybritech Inc. v. Abbott Labs., 849 F.2d 1446, 1451 (Fed. Cir. 1998). See Bell & Howell Document Mgmt. Prods. Co. v. Altek Sys., 132 F.3d 701, 705 (Fed. Cir. 1997).

² Jurisdiction and venue are proper in this district pursuant to 28 U.S.C. §§ 1331 & 1338(a), and 28 U.S.C. §§ 1391(b)&(c) & 1400(b) respectively. In deciding a motion for preliminary injunction in a case involving claims of patent infringement, a district court must apply the substantive standards provided for by the Federal Circuit. Hybritech Inc. v. Abbott Labs., 849 F.2d 1446, 1451 n. 12 (Fed. Cir. 1998).

A. Validity and Enforceability

Considering first the issue of validity, the Court concludes that Lawman Armor has shown that it is likely to withstand any challenge by Winner regarding the validity of the '696 Patent. Initially, a patent is entitled to a strong presumption of validity. 35 U.S.C. § 282. This presumption exists at every phase of the litigation, including the preliminary injunction stage. Canon Computer Sys., Inc. v. Nu-Kote Int'l, Inc., 134 F.3d 1085, 1088 (Fed. Cir. 1998). At the preliminary injunction stage, it is the challenger's burden to show that there is a "substantial question" of validity, at which point the burden shifts to the patentee to show that the defense "lacks substantial merit." Genentech, Inc. v. Novo Nordisk, A/S, 108 F.3d 1361, 1364 (Fed. Cir. 1997); New England Braiding Co. v. A.W. Chesterton Co., 970 F.2d 878, 882-83 (Fed. Cir. 1992).

Although Winner argued in its brief opposing Lawman Armor's motion for preliminary injunction that the '696 Patent is invalid under 35 U.S.C. § 103, Winner did not introduce any evidence of invalidity, nor did Winner request any findings of fact or conclusions of law that the '696 Patent is invalid. Therefore, the Court concludes that Winner has not met its burden of showing that there is a substantial question on the issue of

validity, and for that reason, Lawman Armor has shown that the '696 Patent is likely valid. See Canon, 134 F.3d at 1088; Roper Corp. v. Litton Sys., Inc., 757 F.2d 1266, 1272-73 (Fed. Cir. 1985).

The Court also concludes that Lawman Armor has established that it is likely to withstand any challenges made by Winner on the issue of enforceability. Winner has not challenged Lawman Armor's ownership right to assert the '696 Patent, nor has Winner introduced any evidence that might otherwise challenge Lawman Armor's right to enforce the '696 Patent. Therefore, it is reasonably likely that the '696 Patent is enforceable by Lawman Armor.

B. Infringement

The main issue is whether Lawman Armor has shown that the Accused Product likely infringes the '696 Patent. The infringement analysis is a two-step process. First, the Court must determine, as a matter of law, the correct scope of the claims at issue. This is known as claim construction. Next, the Court must compare the construed claims to the accused device to determine, as a matter of fact, whether all of the claim limitations are present in the accused device, either literally or by substantial equivalent. This is known as determining whether the claim limitations "read on" the accused device.

Rexnord Corp. v. Laitram Corp., 2001 WL 1456191, No. 00-1395, at *3 (Fed. Cir. Nov. 15, 2001). Here, Lawman Armor asserts that the Accused Product infringes the '696 Patent both literally and by substantial equivalent under the doctrine of equivalents.

1. Literal Infringement

Literal infringement will only be found where each and every limitation of the patent claim at issue is literally met in the accused device. Novo Nordisk of North America, Inc. v. Genentech, Inc., 77 F.3d 1364, 1371 (Fed Cir. 1996). The parties here dispute only whether a single limitation contained in the Asserted Claims can be read on the Accused Product. The disputed limitation requires that the device contain a "housing having [or including] a slot therein for receiving the pedal shaft [therein]."³ Ex. P-1.

The preferred embodiment of the '696 Patent describes a

³ The language of this limitation varies slightly in the claims at issue. In claims 1 and 7, the language reads "a housing extending from one of the first and second elongated members and having a slot therein for receiving the pedal shaft therein". In claims 14 and 19, the language reads "a housing extending from the base and including a slot therein for receiving the pedal shaft". There is no dispute that the housing of the Accused Product extends from its base (the first and second elongated members). The other differences in the language, namely the substitution of "including" for "having" and the elimination of "therein" following shaft, do not change the meaning of the limitation, and neither party asserts that it does. The Court's construction, then, applies equally to claims 1, 7, 14 and 19.

device with an inverted U-shaped housing, with the slot being defined by the space between the two vertical arms of the housing. The Lawman Product employs such an inverted U-shaped housing. See Fig. A in Appendix. The Accused Product, on the other hand, is comprised of a tubular housing and a J-shaped locking rod, with its "slot" being defined by the space framed by the tubular housing and the vertical portion of the J-shaped locking rod. See Fig. B in Appendix.

The task before the Court is to construe the scope of the "housing having [or including] a slot therein for receiving the pedal shaft [therein]" limitation, and then to determine whether this limitation, so construed, can be read onto the Accused Product's tubular housing and J-shaped locking rod configuration.

a. Claim Construction

In construing the meaning of the language of a claim, there are two types of evidence that the Court can consider: intrinsic and extrinsic. See, e.g., Pitney Bowes, Inc. v. Hewlett-Packard Co., 182 F.3d 1298, 1305-08 (Fed. Cir. 1999); Vitronics Corp. v. Conceptoronic, Inc., 90 F.3d 1576, 1581-82 (Fed. Cir. 1996). There are three sources of intrinsic evidence. The first, and most important, is the language of the claims themselves. The second is the specification, which is the

written description of the claims including a description of a preferred embodiment of the protected invention. The third and final source of intrinsic evidence is the file (or prosecution) history, which is the record created during the process of applying for the patent. Vitronics Corp., 90 F.3d at 1582. The file history is only considered if it is made available to the Court. Id.

Extrinsic evidence consists of all other sources of evidence regarding the meaning of the claim terms. Id. at 1584. Typical examples of extrinsic evidence include prior art (other patents and inventions relevant to or related to the patent in question) and expert testimony. Expert testimony on claim construction, however, is disfavored. Prior art documents are deemed a more objective and reliable guide than testimonial evidence. Unlike expert testimony, these sources are accessible to the public in advance of litigation. Therefore, "opinion testimony on claim construction should be treated with the utmost caution, for it is no better than opinion testimony on the meaning of statutory terms." Id. at 1585.

The Court must first consider the intrinsic evidence. If based on a review of the intrinsic evidence the Court can fairly determine the meaning of claim terminology, the inquiry ends. Thereafter, it is improper to rely on extrinsic evidence to contradict such definitions. Id. at 1583. Extrinsic evidence

may be relied upon only if genuine ambiguity remains after a review of the intrinsic evidence. Pitney Bowes, 182 F.3d at 1308-09.

In considering the intrinsic evidence, the Court must look first to the language of the claims, which define the scope of the protected invention. Bell Atlantic Network Servs., Inc. v. Covad Communications Group, Inc., 262 F.3d 1258, 1267 (Fed. Cir. 2001); Bell Communications Research, Inc. v. Vitalink Communications Corp., 55 F.3d 615, 619 (Fed. Cir. 1995). The words of the claims are given more weight than any other evidence. Eastman Kodak Co. v. Goodyear Tire & Rubber Co., 114 F.3d 1547, 1552 (Fed. Cir. 1997), overruled on other grounds by Cybor Corp. v. FAS Techs., Inc., 138 F.3d 1448, 1454-55 (Fed. Cir. 1998) (en banc).

When construing the language of the claims, there is a "heavy presumption" that the claim terms should be accorded their ordinary meaning to one of ordinary skill in the art. Bell Atlantic, 262 F.3d at 1268. This presumption is only overcome: (1) where the patentee has chosen to be his or her own lexicographer by defining the terms in a different manner; or (2) where a claim term so deprives the claim of clarity that there is no means by which the scope of the claim may be ascertained from the language used. Id. Dictionary definitions can be helpful to understand how one of ordinary skill in the art construes claim

terms, and can be consulted by the Court for this purpose at any time. Vitronics Corp., 90 F.3d at 1584 & n. 6. See, e.g., Envirco Corp. v. Clestra Cleanroom Inc., 209 F.3d 1360, 1365 (Fed. Cir. 2000); Rexnord Corp., 2001 WL 1456191, at *4-5.

Another principle of claim construction teaches that the Court should give claim terms their ordinary and customary meaning unless the specification or file history clearly discloses any special or alternative meaning. Interactive Gift Express, Inc. v. Compuserve Inc., 256 F.3d 1323, 1331 (Fed. Cir. 2001); Vitronics Corp., 90 F. 3d at 1582. See Zelinski v. Brunswick Corp., 185 F.3d 1311, 1315 (Fed. Cir. 1999). Here, the file history was never introduced into evidence. Therefore, it cannot serve to limit the meaning of the Asserted Claims. The specification is, of course, before the Court as part of the '696 Patent, and must be considered at the appropriate time.

Turning to the plain language of the claims, the Court concludes, and the parties agree, that it is appropriate to consult dictionary definitions to construe the meaning of the claim limitation in dispute. The language to be construed is "a housing having [or including] a slot therein for receiving the pedal shaft [therein]." The ordinary meaning of the term "slot" as used in the Asserted Claims is "a narrow opening or groove" or "a narrow passage, enclosure, or space." See Webster's Third New Int'l Dictionary 2146 (1993). The ordinary meaning of the term

"therein", as used in the Asserted Claims, is "in or into that place, or, in or into that thing." Id. at 2372. Therefore, the plain language of the Asserted Claims requires that the device have a "narrow opening or groove" or a "narrow passage, enclosure, or space" (a slot), and that this slot be located in the housing of the device.⁴

Nothing in the file history or the specification discloses a different meaning to be given to the language of the claims at issue. Although the specification illustrates a preferred embodiment of the claimed invention that is similar to the commercial Lawman Product, with an inverted U-shaped housing and a slot between two legs of the housing, this description should not be read to narrow the definition of the language used in the relevant patent claims. See Interactive Gift Express, 256 F.3d at 1331-32. When considering whether the specification discloses any special or alternative meaning to be given to the claim terms, the Court cannot import into the claims limitations or features found in the specification, but not in the claims themselves. Id.

This prohibition exists because the claims, not the

⁴ Winner concedes that the Accused Product has a housing, and the meaning of the term was not disputed by the parties. Therefore, the Court need not construe the meaning of the term "housing." See Vivid Techs., Inc. v. American Sci. & Eng'g, Inc., 200 F.3d 795, 803 (Fed. Cir. 1999) ("only those terms need be construed that are in controversy").

particular detailed examples or preferred embodiments disclosed in the specification, define the scope of the invention. Kraft Foods, Inc. v. Int'l Trading Co., 203 F.3d 1362, 1366 (Fed. Cir. 2000); American Permahedge, Inc. v. Barcana, Inc., 105 F.3d 1441, 1444 (Fed. Cir. 1997). Therefore, when the claim language is broader than the particular embodiments appearing in the specification, those more narrow embodiments will not limit the claims. See Electro Med. Sys., S.A. v. Cooper Life Sciences, Inc., 34 F.3d 1048, 1054 (Fed. Cir. 1994); see also Al-Site Corp. v. VSI Int'l, Inc., 174 F.3d 1308, 1323 (Fed. Cir. 1999); SRI Int'l v. Matsushita Elec. Corp. of America, 775 F.2d 1107, 1121 (Fed. Cir. 1985) (en banc). Nothing in the language of the claims requires the device to have a U-shaped housing, and the Court will not read that requirement into the language based on the preferred embodiment discussed in the specification.

Because the Court concludes, and the parties agree, that neither the specification nor the file history discloses any special or alternative meaning to be given to the terms used in the Asserted Claims, the Court will accord the terms their ordinary meaning. Therefore, the Court construes claims 1, 7, 14 and 19 of the '696 Patent to require that the device contain a narrow opening, groove, passage, enclosure or space, and that this narrow opening, groove, passage, enclosure or space be located in the housing of the device. Because the meaning of

this language is plain, and no ambiguity remains, the Court will not rely on any extrinsic evidence to further define these terms.⁵

b. Reading the Claims on the Accused Product

Now that the claims at issue have been construed, the Court must determine, as a matter of fact, whether the Accused Product reads on, or contains all the limitations of, the construed claims. As opposed to the Lawman Product, and the preferred embodiment described by the specification of the '696 Patent, the Accused Product does not utilize an inverted U-shaped housing and slot configuration. Rather, it utilizes a tubular housing and J-shaped locking rod configuration. Winner argues that this configuration of the Accused Product does not contain a slot, and that even if it does contain a slot, its slot is not

⁵ The main extrinsic evidence introduced was the testimony of Winner's expert, Mr. Marotto. Mr. Marotto testified that the accused product had a "narrow path" for the pedal shaft. Hr'g Tr. II, at 11-12 (Maratto). Although Mr. Marotto also testified that a "slot" requires structural members on opposing sides, no objective evidence in the form of literature or technical dictionaries were introduced that supports such a narrow definition of the term. For that reason, and because the meaning of the term is clear after reviewing the intrinsic evidence, the Court will afford the term "slot" the full scope of its common and ordinary meaning. See Rexnord Corp., 2001 WL 1456191, at *3. In addition, the Court finds that Mr. Marotto's testimony is of limited value. Although he had many years of experience with door locks, he had none with automotive locks such as those at issue here. The only similarity between the products at issue and those with which he worked is the key cylinder, which is not at issue here. Hr'g Tr. I, at 177 & II, at 10 (Marotto).

located in the housing of the device. The Court agrees with the latter point.

The Court finds that the Accused Product does contain a narrow opening, passage or space that is designed to receive the brake pedal shaft. Both Winner's expert, Mr. Marotto, and product manager, Mr. Linsley, testified that the Accused Product has a "narrow path" or "narrow space" that receives the brake pedal shaft. See Hr'g Tr. I, at 166 (Linsley); Hr'g Tr. II, at 11-12 (Maratto). This narrow opening or passage is framed by the tubular housing with its horizontal projection, and the J-shaped portion of the locking rod. In the plain and ordinary sense of the word, this narrow opening or passage is a slot.

The Accused Product's configuration does not, however, have a slot that is located in the housing of the device. Rather, as described above, the slot of the Accused Product is framed by the housing and the J-shaped locking rod. Because its slot is not located in its housing, the Accused Product does not literally read on every claim limitation of the '696 Patent. Therefore, Lawman Armor has not shown a reasonable likelihood of success in proving literal infringement.

Lawman Armor relies on a patent treatise, Landis on Mechanics of Patent Claim Drafting, to argue that the term "therein" is simply a broad way of claiming the empty space of the slot, and as such, it should not limit the claim by requiring

that the slot be located in the housing. This argument is unpersuasive. Landis simply teaches that when claiming empty space or a hole, it is sometimes helpful to define such a space or hole in terms of the structure that forms it. Robert C. Faber, Landis on Mechanics of Patent Claim Drafting § 26 (4th Ed. 1999). The particular language selected to so define a space or hole (here, a slot) is the province of the patentee. Mr. Vito could have chosen the language "framed by the housing" or some other formulation, instead of requiring that the device have a housing with a slot "therein." Having chosen the language of the claims, and having chosen not to further define this language, the patentee cannot now argue that the language should read more broadly than its ordinary meaning dictates. See, e.g., DeMarini Sports, Inc. v. Worth Inc., 239 F.3d 1314, 1334 (Fed. Cir. 2001).

2. Infringement Under the Doctrine of Equivalents

Because the Court has determined that Lawman Armor has not shown a reasonable likelihood of proving literal infringement, the Court must consider whether there is a reasonable likelihood of success under the doctrine of equivalents.⁶ E.g., Rexnord Corp., 2001 WL 1456191, at *3.

⁶ The doctrine of equivalents exists to prevent a fraud on a patent. Wilson Sporting Goods Co. v. David Geoffrey & Assocs., 904 F.2d 677, 684 (Fed. Cir. 1990). It accomplishes this by preventing a party from effectively stealing a patented invention
(continued...)

The doctrine of equivalents requires that the accused product contain each limitation of the claim or its equivalent. "An element in the accused product is equivalent to a claim element if the differences between the two are 'insubstantial' to one of ordinary skill in the art". Overheard Door Corp. v. Chamberlain Group, Inc., 194 F.3d 1261, 1269 (Fed. Cir. 1999) (citation omitted).

One common test for determining the substantiality of the differences is the so-called "function-way-result", or "triple identity" test. This test asks whether the allegedly equivalent structure performs substantially the same function, in substantially the same way, with substantially the same result, as the claimed structure. Warner-Jenkinson Co. v. Hilton Davis Chemical Co., 520 U.S. 17, 39 (1997). The triple identity test is particularly suitable and helpful for conducting equivalency analysis for mechanical devices like those at issue here. Id. at 39-40.

The Court finds that the configuration of the Accused Product's housing and slot performs substantially the same function as the housing and slot configuration of the claimed structure. The ultimate function of both the housing and slot

⁶(...continued)
by making unimportant and insubstantial changes and substitutions to the patent simply in order to avoid a finding of literal infringement. Graver Tank & Mfg. Co. v. Linde Air Prods. Co., 339 U.S. 605, 607 (1950).

configuration taught by the '696 Patent and the housing and slot configuration contained in the Accused Product is the same. Each housing and slot configuration functions to receive the brake pedal shaft, which is thereafter immobilized by the drawing up of the locking rod. Winner's expert testified to this effect. Hr'g Tr. II, at 14-16 (Marotto). Because the housing and slot configuration of the Accused Product performs the same function as that taught by the housing and slot configuration of the '696 Patent, the first prong of the triple identity test is met.

There is no dispute that the housing and slot configuration of the Accused Product operates to achieve substantially the same result as the housing and slot configuration taught by the '696 Patent. Both result in the brake pedal shaft being trapped in a slot and bounded on all four sides, and therefore immobilized. Winner's expert testified to this effect. Hr'g Tr. II, at 14-16 (Marotto). Therefore, the third prong of the triple identity test is also met.

The parties dispute whether the second prong, requiring that the function be performed in substantially the same way, is met in the Accused Product. Winner's expert and product manager testified that the Accused Product's housing and slot configuration operates in a substantially different way than that described by the '696 Patent because the configuration of the Accused Product is more "user friendly" in that it does not

require slight lateral travel to capture the pedal shaft in the slot, as is required by the Lawman Product's configuration. Hr'g Tr. I, at 144-45 (Linsley); Hr'g Tr. II, at 17, 19 (Marotto). The Court finds this reasoning unpersuasive.

In each configuration, once the brake pedal shaft is positioned in the slot, the locking rod is drawn up, locking the brake pedal shaft into place and immobilizing it. The fact that the Accused Product's housing and slot configuration requires slight lateral travel to capture the brake pedal shaft does not render the way in which it functions substantially different than the way in which the configuration claimed by the '696 Patent functions. The Court finds this difference in the way that the two housing and slot configurations function to be insubstantial to one of ordinary skill in the art.

In support of this conclusion, the Court notes that Winner's expert, Mr. Marotto, agreed that one with experience and knowledge in the lock field would have recognized that the housing and slot configuration of the Lawman Product could be achieved by the J-shaped hook configuration of the Accused Product. Hr'g Tr. 22, at 20 (Marotto). Such evidence is persuasive evidence of equivalence. Warner-Jenkinson Co., 520 U.S. at 35-37; Graver Tank & Mfg. Co. v. Linde Air Prods. Co., 339 U.S. 605, 609 (1950); Sofamor Danek Group, Inc. v. DePuy-Motech, Inc., 74 F.3d 1216, 1222 (Fed. Cir. 1996).

Because the Court finds that the housing and slot configuration of the Accused Product performs substantially the same function, in substantially the same way, to produce substantially the same result as the housing and slot configuration taught by the '696 Patent, the Court concludes that Lawman Armor has satisfied the triple identity test and made a prima facie showing that it is likely to succeed in proving infringement under the doctrine of equivalents.

Nonetheless, Winner asserts that a finding of infringement under the doctrine of equivalents is inappropriate because such a finding would allow Lawman Armor to "capture" Winner's prior art crook hook devices. Winner's argument is that to read the housing and slot configuration of the Accused Product, which includes a J-shaped hook on the locking rod, as an equivalent to the configuration claimed by the '696 Patent would capture the "hook" element of its crook hooks, which have been on the market since 1988 and are in the public domain. The Court finds this argument unpersuasive.

It is true that a patentee may not assert a range of equivalents that encompasses prior art. E.g., Wilson Sporting Goods Co. v. David Geoffrey & Assocs., 904 F.2d 677, 684 (Fed. Cir. 1990). The reason for this limitation is that "a patentee should not be able to obtain, under the doctrine of equivalents, coverage which he could not lawfully have obtained from the PTO

by literal claims." Id. This limitation satisfies the "fundamental principle that no one deserves an exclusive right to technology already in the public domain." Marquip, Inc. v. Fosber America, 198 F.3d 1363, 1367 (Fed. Cir. 1999).

Once a patentee has made a prima facie showing of infringement under the doctrine of equivalents, however, the burden is upon the alleged infringer to come forth with prior art evidence that shows that the asserted range of equivalence would encompass the prior art. Nat'l Presto Indus., Inc. v. West Bend Co., 76 F.3d 1185, 1192 (Fed. Cir. 1996). See Streamfeeder, LLC v. Sure-Feed Sys., Inc., 175 F.3d 974, 981 (Fed. Cir. 1999). The burden of proving infringement, however, remains at all times with the party asserting the patent. Streamfeeder, 175 F.3d at 981. Winner has come forward only with its crook hook devices as prior art evidence. This evidence is insufficient to convince the Court that it is improper to find that the Accused Product infringes the '696 Patent under the doctrine of equivalents.

In determining whether the range of equivalents asserted by the patentee is precluded by the prior art, the Court "must apply standards of patentability consistent with [the Federal Circuit's] jurisprudence regarding anticipation and obviousness." Conroy v. Reebok Int'l, Ltd., 14 F.3d 1570, 1577 (Fed. Cir. 1994).

A "claim is anticipated only if each and every claim

element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference."

Verdegall Bros., Inc. v. Union Oil Co. of California, 814 F.2d 628, 631 (Fed. Cir. 1987). Although the prior art crook hook devices contain a hook that is used to trap the brake pedal shaft, these devices contain no base, elongated housing extending from the base, or locking rod, and they are designed to function in a substantially different way than the devices at issue here. Therefore, they do not anticipate the '696 Patent or the range of equivalents asserted by Lawman Armor.

Nor is there any suggestion in the evidence that the crook hook devices, alone or in combination with other prior art references, make obvious to one of ordinary skill in the art the '696 Patent or the range of equivalents asserted by Lawman Armor. A claim is made obvious by the prior art if, in view of the prior art, the claimed invention as a whole would have been obvious to one of ordinary skill in the art. See Conroy, 14 F.3d at 1577; Grain Processing Corp. v. American Maize-Prods. Co., 840 F.2d 902, 907 (Fed. Cir. 1988). The fact that the crook hook devices utilized a hook to capture the brake pedal shaft is not enough to show that the range of equivalents asserted by Lawman Armor would have been obvious to one of ordinary skill in the art. Indeed, virtually all patent claims are combinations of elements, each of which individually can be found in the prior art. Medtronic,

Inc. v. Cardiac Pacemakers, Inc., 721 F.2d 1563, 1566 (Fed. Cir. 1983). It is clear that an invention may contain a particular element of prior art without necessarily being obvious in view of it. E.g., Conroy, 14 F.3d at 1577. Because the crook hook devices do not alone, or in combination with other prior art, suggest to one of ordinary skill in the art the invention and range of equivalents asserted by Lawman Armor, the Court finds that the application of the doctrine of equivalents is not inappropriate here.⁷

Because the housing and slot configuration of the Accused Product is the substantial equivalent of the housing and slot configuration claimed by the '696 Patent, and because all other claim limitations are literally met by the Accused Device, Lawman Armor has shown a strong likelihood of success of proving infringement under the doctrine of equivalents.

Given Lawman Armor's uncontested showings of ownership and validity, and its strong showing of infringement under the doctrine of equivalents, Lawman Armor has shown a clear

⁷ In addition, the fact that Mr. Vickers was awarded a patent for an invention similar to the Accused Product, with a housing and slot configuration incorporating a J-shaped hook, supports the argument that such a configuration is not anticipated or made obvious by prior art such as the crook hook devices sold by Winner and other manufacturers. Exs. D-A, D-B, D-D & D-F; Nat'l Presto Indus., Inc. v. West Bend Co., 76 F.3d 1185, 1192 (Fed. Cir. 1996) ("Indeed [the alleged infringer] does not reconcile the asserted unpatentability of a hypothetical claim the covers its device with its argument that its device itself is patented.").

likelihood of success on the merits.

II. Irreparable Harm

In patent cases irreparable harm is presumed where the patentee has clearly shown that it is likely to prevail on the merits. Bell & Howell, 132 F.3d at 708; Polymer Techs., Inc. v. Bridwell, 103 F.3d 970, 973 (Fed. Cir. 1996). This presumption is peculiar to preliminary injunctions in patent cases and "acts as a procedural device which places the ultimate burden of production on the question of irreparable harm onto the alleged infringer." Polymer Techs., 103 F.3d at 974 (quoting Reebok Int'l Ltd. v. J. Baker, Inc., 32 F.3d 1552, 1556 (Fed. Cir. 1994) (citations omitted)). As the Federal Circuit has explained, this presumption is grounded in the patent itself:

Because of the very nature of a patent, which provides the right to exclude, infringement of a valid patent inherently causes irreparable harm

Years after infringement has begun, it may be impossible to restore a patentee's (or an exclusive licensee's) exclusive position by an award of damages and a permanent injunction.

Id. at 975-76 (citations omitted).

Accordingly, this presumption is overcome only where the court makes a "finding clearly negating" the presumption. In Polymer Technologies, the Federal Circuit set forth examples of what could constitute clear negation: the non-movant has or will stop infringing; the movant has granted non-exclusive licenses

under its patent "such that it may be reasonable to expect that invasion of the patent right can be recompensed with a royalty rather than with an injunction"; or the movant has delayed in bringing suit. Id. at 974.

Because Lawman Armor has clearly shown that it will likely succeed on the merits of its infringement claim, it is entitled to a presumption of irreparable harm. Winner has made no showing that this presumption should be negated. Winner has not alleged or proved that Lawman Armor has granted non-exclusive licenses under its patent, or that Lawman Armor delayed in bringing suit. Nor has Winner alleged that they have or will stop infringing the '696 Patent. For that reason, Lawman Armor is entitled to a presumption of irreparable harm.

Even without this presumption, the Court finds that Lawman Armor has shown that irreparable harm would result without the issuance of a preliminary injunction. Irreparable harm can be shown by demonstrating that monetary damages are an inadequate remedy or are difficult to compute. A number of factors can be considered in making this determination. Among these are whether continuing infringement will damage the plaintiff's position in the market or its market share; whether continued infringement would threaten the survival of the plaintiff's business; whether the plaintiff and the defendant are direct competitors trying to influence the same group of consumers; whether the plaintiff

spent a large sum of money on market development; whether continued infringement would have a harmful impact on the plaintiff's market share and pricing structure; whether the plaintiff will lose substantial profits from continued infringement; and, whether continued infringement would disparage the reputation of the plaintiff or its product. See, e.g., Canon Computer Sys., 134 F.3d at 1090 (potential loss of market share as basis for finding of irreparable harm not error); Telebrands Direct Response Corp. v. Ovation Communications, Inc., 802 F. Supp. 1169, 1178 (D.N.J. 1992) (damage to reputation by knock-off products); Jacobson v. Cox Paving Co., 19 U.S.P.Q.2d 1641, 1653 (D. Ariz.), aff'd 949 F.2d 404 (Fed. Cir. 1991) (listing factors and cases). See also, John G. Mills, The Developing Standard for Irreparable Harm in Preliminary Injunctions to Prevent Patent Infringement, 81 J. Pat. & Trademark Off. Soc'y 51, 65-66 (Jan. 1999) (listing factors).

In this case, numerous factors support a finding of irreparable harm. Lawman Armor presented credible evidence that Winner's aim in introducing the Accused Product was to damage the entire auto brake lock market. Further, Lawman Armor presented evidence that Winner has taken actions with regard to the Accused Product which could damage the entire auto brake market, a harm that could not be compensated by money damages. Among this evidence are James Winner's statements that he would enter the

auto brake market to erode the price points and drive Lawman Armor out of business; Winner's failure to advertise or otherwise promote the Accused Product; Winner's circulation in the trade of promotional materials designed to disparage auto brake locks, all of which criticism applies equally to the Accused Product; Winner's aborted plan to recall the Accused Product to harm the category of auto brake locks; and Winner's use of cash incentives to retailers to induce them to lower retail prices of the accused product, forcing Lawman to respond and lower prices, eroding the profit margin of the category.

In addition, Lawman Armor spent a significant amount of money to develop a market for its auto brake lock, and damage to that market would threaten the survival of Lawman Armor's business, which consists exclusively of its auto brake lock products. Further, the harm threatened to Lawman Armor by Winner's efforts to use the Accused Product as leverage to damage the entire market category of auto brake locks would be difficult to quantify in monetary terms. All of these factors favor a finding of irreparable harm unless a preliminary injunction issues.

For these reasons, the Court concludes that the threatened and potential harm to the market category of auto brake locks if a preliminary injunction does not issue weighs in favor of an award of a preliminary injunction.

III. Balance of Hardships

After considering the likelihood of success on the merits and irreparable harm, a court must balance the hardships the respective parties will suffer from granting or withholding the injunction. E.g., 7 Donald S. Chisum, Chisum on Patents § 20.04[1] at 20-661 (1999). Even where a court concludes that neither party has a "clear advantage" as to the hardship factor, the court may enter a preliminary injunction. Hybritech, 849 F.2d at 1457-58.

Here, a preliminary injunction would prevent Winner, pending trial on the merits, from selling a product which it does not promote, does not back up with a guarantee, and which belongs to a product category that Winner has actively disparaged. This is not a "harm" of which equity should take cognizance.

In addition, the Accused Product constitutes a small fraction of Winner's business, while the Lawman Product is Lawman Armor's entire business. While Lawman Armor has invested millions of dollars in developing and promoting its product, the Accused Product was designed by Winner's patent attorney to avoid infringement of then-issued patents and to utilize its already existing parts inventory. The Accused Product is not advertised at all. Any cognizable harm to Winner by issuance of a preliminary injunction would consequently be small in comparison to the harm to Lawman Armor in the absence of a preliminary

injunction.

Accordingly, the Court finds that the balance of hardships favors Lawman Armor.

IV. Public Interest

In patent cases, "the focus of the district court's public interest analysis should be whether there exists some critical public interest that would be injured by the grant of preliminary relief." Hybritech, 849 F.2d at 1458. Courts have only in rare instances exercised their discretion to deny injunctive relief in order to protect the public interest, generally in instances where the public health was at stake. Rite-Hite Corp. v. Kelley Co., 56 F.3d 1538, 1547-48 (Fed. Cir. 1995) (en banc) (citing instances).

Where a likelihood of infringement has been shown, the public interest is almost always served by vindicating the patentee's rights. See Smith Int'l, Inc. v. Hughes Tool Co., 718 F.2d 1573, 1581 (Fed. Cir. 1983); Pitway v. Black & Decker, 667 F. Supp. 585, 593 (N.D. Ill. 1987). The public policy behind granting a patent monopoly is vitiated if infringers are permitted, under the court's tacit permission, to take out a "litigation license" for which the patentee never negotiated or bargained. See Augat, Inc. v. John Mezzalingua Assocs., Inc., 642 F. Supp. 506, 508 (N.D.N.Y. 1986). In addition, the fact

that an infringer is selling a lower-priced product does not justify allowing it to infringe valid patent rights. See Payless Shoesource, Inc. v. Reebok Int'l Ltd., 998 F.2d 985, 991 (Fed. Cir. 1993) (noting that such a justification for patent infringement would cause most injunctions to be denied "because copiers universally price their products lower than innovators").

Because Winner is not actively promoting the Accused Product, is selling relatively few units of the Accused Product, and has spent resources in disparaging the entire category of auto brake locks, market competition in this category will not be measurably harmed by the grant of a preliminary injunction. Rather than lessening competition in the auto brake lock category, a preliminary injunction would likely help preserve the vitality of that category.

Accordingly, because the Court concludes that there is no critical public interest that would be harmed by the grant of a preliminary injunction, the Court finds that the public interest favors granting preliminary injunctive relief.

CONCLUSION

Because Lawman Armor has established each of the requisite elements for obtaining a preliminary injunction, the Court will grant Lawman Armor's motion. The Court finds that, because Winner is not promoting the Accused Product, is not

selling many units of the Accused Product, and has made efforts to disparage the entire category of auto brake locks, a bond pursuant to Federal Rule of Civil Procedure 65(c) in the amount of \$50,000 is appropriate.

An appropriate Order follows.

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

LAWMAN ARMOR CORPORATION,	:	
	:	
Plaintiff	:	CIVIL ACTION
	:	
	:	
v.	:	
	:	
	:	
WINNER INTERNATIONAL, INC.,	:	
	:	
Defendant	:	NO. 01-1605

ORDER OF PRELIMINARY INJUNCTION

AND NOW, this _____ day of January, 2002, upon consideration of Lawman Armor Corporation's Motion for a Preliminary Injunction (Docket #8), Winner International, Inc.'s response thereto, and following an evidentiary hearing held on November 19 & 20, 2001, and the filing of proposed findings of fact and conclusions of law by the parties, IT IS HEREBY ORDERED

that, for the reasons contained in the accompanying memorandum of today's date, Lawman Armor Corporation's Motion is GRANTED. It is therefore ORDERED that:

Winner International, Inc., together with its agents, officers, employees, servants, and all those acting under its control, on its behalf, or in concert with it, are HEREBY PRELIMINARILY ENJOINED AND RESTRAINED, pending the final hearing and determination of this cause or until further Order of this Court, from selling, offering for sale, licensing, using, or otherwise distributing in the United States any device or product embodying or constituting the inventions claimed in U.S. Patent No. 6,298,696, including, without limitation, devices or products sold under the name "The Club Auto Brake Lock" and other similar automobile anti-theft brake or clutch pedal locking devices which compete directly with Lawman Armor Corporation's automobile brake or clutch pedal locking devices and infringe claims of Patent No. 6,298,696.

Lawman Armor Corporation shall within ten (10) days of this Order of Preliminary Injunction post a bond with the Clerk of the Court in an amount of \$50,000, pursuant to Federal Rule of Civil Procedure 65(c). This Order of Preliminary Injunction shall take effect upon the posting by Lawman Armor Corporation of

the \$50,000 bond.

BY THE COURT:

MARY A. McLAUGHLIN, J.